

Article - Education

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§16–306.

(a) (1) Subject to paragraph (2) of this subsection, a public junior or community college shall reimburse the State annually for the employer contributions made by the State for an employee who:

(i) Is a member of the Teachers' Retirement System or the Teachers' Pension System under Division II of the State Personnel and Pensions Article; and

(ii) Is receiving a salary funded by a source other than State or local aid.

(2) To the extent that an employee's salary is funded in part by sources other than State or local aid, the public junior or community college shall reimburse the State a pro rata share of the State's payment based on the percentage of the employee's salary funded by a source other than State or local aid.

(b) (1) To ensure that the public junior or community college is properly reimbursing the State as provided under subsection (a) of this section, the Commission or, at the Commission's request, a public junior or community college may at any time examine the records of public junior or community colleges to determine whether the State's payments for retirement contributions for employees of the public junior or community colleges are in accordance with the provisions of Division II of the State Personnel and Pensions Article.

(2) An audit conducted under paragraph (1) of this subsection may be:

(i) Included with an existing annual financial audit as a supplemental part and tested independently;

(ii) Conducted in conjunction with a supplemental federally mandated single audit of federal financial assistance programs and tested independently; or

(iii) Conducted as a separate independent audit.

(c) (1) (i) If an examination of the records of a public junior or community college shows that the State has paid more than is required under

Division II of the State Personnel and Pensions Article, within 30 days after the date of the notice to the junior or community college of the State overpayment, the junior or community college may appeal the notice of State overpayment to the Secretary of Budget and Management who shall appoint a hearing examiner.

(ii) The hearing examiner shall make recommendations to the Secretary of Budget and Management who shall make a final determination regarding the amount, if any, of the State overpayment.

(2) If a public junior or community college does not appeal to the Secretary of Budget and Management or if the Secretary of Budget and Management determines that the State is due reimbursement for excess payments, as provided in paragraph (1) of this subsection, at the request of the Commission the money owed shall be deducted from any other State funds that would otherwise be paid to the public junior or community college.

(3) For purposes of the Administrative Procedure Act, an appeal taken under this section is not a contested case.

(d) (1) Any reimbursements under subsection (a) of this section:

(i) Shall be applied first to the cost of any audit or portion of any audit relating to subsection (a) of this section to reimburse either the Commission or the public junior or community college for the expenses of the audits; and

(ii) After reimbursement to the Commission or the public junior or community college under item (i) of this paragraph, shall be credited to the General Fund.

(2) If an audit under this section is performed by a public junior or community college, before the public junior or community college is reimbursed under paragraph (1)(i) of this subsection, the public junior or community college shall provide documentation to the Commission that the incremental costs of the audit incurred by the public junior or community college are reasonable.

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